Remarks at a Town Hall Meeting and a Question-and-Answer Session in Portsmouth, New Hampshire

August 11, 2009

The President. Hello, Portsmouth. Thank you. Thank you so much. Thank you, everybody. Everybody have a seat. Thank you. Oh, thank you so——

Audience member. We love you!

The President. I love you back. Thank you. [*Laughter*] It is great to be back in Portsmouth. It is great to be back in New Hampshire. I have to say, though, that most of my memories of this State are cold. [*Laughter*] So it's good to be here in August.

There are a couple of people that I want to acknowledge who are here today, some special guests. First of all, I want to thank Principal Jeffrey Collins and the Portsmouth students and faculty and staff; thank you, our host for today. Your own outstanding Governor, John Lynch, is here, and his wonderful wife, Susan—Dr. Susan Lynch, is here—the first lady of New Hampshire. Your United States Senator, doing a great job, Jeanne Shaheen, is here. The Governor of the great State of Maine, and we are glad he's here in New Hampshire today, John Baldacci, is here.

Two of my favorite people, they are just taking Congress by storm, outstanding work—Paul Hodes, Carol Shea-Porter—give them a big round of applause. And we've got your own mayor, Tom Ferrini is here. Where's Tom? Where is he? There he is.

Now, I want to thank more than anybody, Lori, for that introduction and for sharing her story with the rest of us. Thank you, Lori. Lori's story is the same kind of story that I've read in letters, that I've heard in town hall meetings just like this one for the past 5 years. In fact, some of you were in that town hall—those town hall meetings, as I was traveling all throughout New Hampshire. It's the story of hard-working Americans who are held hostage by health insurance companies that deny them coverage or drop their coverage or charge fees that they can't afford for care that they desperately need. I believe it is wrong. It is bankrupting families and businesses, and that's why we are going to pass health insurance reform in 2009.

Now, this is, obviously, a tough time for families here in New Hampshire and all across America. Six months ago, we were in the middle of the worst recession of our lifetimes. I want you to remember what things were like in January and February. We were losing about 700,000 jobs per month, and economists of all stripes feared a second-coming of the Great Depression. That was only 6 months ago.

And that's why we acted as fast as we could to pass a Recovery Act that would stop the freefall. And I want to make sure everybody understands what we did. One-third of the money in the Recovery Act went to tax cuts that have already started showing up in the paychecks of about 500,000 working families in New Hampshire—500,000 families in New Hampshire. We also cut taxes for small businesses on the investments that they make, and over 300 New Hampshire small businesses have qualified for new loans backed by the Recovery Act.

Now, that was a third of the Recovery Act. Another third of the money in the Recovery Act is for emergency relief for folks who've borne the brunt of this recession. So we've extended unemployment benefits for 20,000 New Hampshire residents; we've made health

insurance 65 percent cheaper for families who rely on COBRA while they're looking for work; and for States that were facing historic budget shortfalls, we provided assistance that has saved the jobs of tens of thousands of workers who provided essential services, like teachers and police officers. So it's prevented a lot of painful cuts in the State, but also a lot of painful State and local tax increases.

Now, the last third of the Recovery Act is for investments that are already putting people back to work. And these are jobs refurbishing bridges and pavement on I–95, or jobs at the community health centers here in Portsmouth that will be able to add nurses and extend hours and serve up to 500 new patients. These are good jobs doing the work America needs done. And, by the way, most of the work is being done by private, local businesses, because that's how we're going to grow this economy again. So there is no doubt that the Recovery Act has helped put the brakes on this recession. We just saw last Friday the job picture is beginning to turn. We're starting to see signs that business investment is coming back.

But, New Hampshire, that doesn't mean we're out of the woods, and you know that. It doesn't mean we can just sit back and do nothing while so many families are still struggling. Because even before this recession hit, we had an economy that was working pretty well for the wealthiest Americans; it was working pretty well for Wall Street bankers; it was working pretty well for big corporations, but it wasn't working so well for everybody else. It was an economy of bubbles and busts, and we can't go back to that kind of economy.

If we want this country to succeed in the 21st century and if we want our children to succeed in the 21st century, then we're going to have to take the steps necessary to lay a new foundation for economic growth. We need to build an economy that works for everybody, and not just some people.

Now, health insurance reform is one of those pillars that we need to build up that new foundation. I don't have to explain to you that nearly 46 million Americans don't have health insurance coverage today. In the wealthiest nation on Earth, 46 million of our fellow citizens have no coverage; they are just vulnerable. If something happens, they go bankrupt, or they don't get the care they need.

But it's just as important that we accomplish health insurance reform for the Americans who do have health insurance, because right now we have a health care system that too often works better for the insurance industry than it does for the American people. And we've got to change that.

Now, let me just start by setting the record straight on a few things I've been hearing out here—[*laughter*]—about reform. Under the reform we're proposing, if you like your doctor, you can keep your doctor. If you like your health care plan, you can keep your health care plan. You will not be waiting in any lines. This is not about putting the government in charge of your health insurance. I don't believe anyone should be in charge of your health insurance decisions but you and your doctor. I don't think government bureaucrats should be meddling, but I also don't think insurance company bureaucrats should be meddling. That's the health care system I believe in.

Now, we just heard from Lori about how she can't find an insurance company that will cover her because of her medical condition. She's not alone. A recent report actually shows that in the past 3 years, over 12 million Americans were discriminated against by insurance companies because of a preexisting condition. Either the insurance company refused to cover the person, or they dropped their coverage when they got sick and they needed it most, or they

refused to cover a specific illness or condition, or they charged higher premiums and out-of-pocket costs. No one holds these companies accountable for these practices.

And I have to say, this is personal for Lori, but it's also personal for me. I talked about this when I was campaigning up here in New Hampshire. I will never forget my own mother, as she fought cancer in her final months, having to worry about whether her insurance would refuse to pay for her treatment. And by the way, this was because the insurance company was arguing that somehow she should have known that she had cancer when she took her new job, even though it hadn't been diagnosed yet. So if it could happen to her, it could happen to any one of us.

And I've heard from so many Americans who have the same worries. One woman testified that an insurance company would not cover her internal organs because of an accident she had when she was 5-years-old. Think about that. That covers a lot of stuff. [*Laughter*] They're only going to cover your skin. [*Laughter*] Dermatology, that's covered; nothing else. [*Laughter*]

Another lost his coverage in the middle of chemotherapy because the insurance company discovered he had gall stones that he hadn't known about when he applied for insurance. Now, that is wrong, and that will change when we pass health care reform. That is going to be a priority.

Under the reform we're proposing, insurance companies will be prohibited from denying coverage because of a person's medical history, period. They will not be able to drop your coverage if you get sick. They will not be able to water down your coverage when you need it. Your health insurance should be there for you when it counts, not just when you're paying premiums, but when you actually get sick. And it will be when we pass this plan.

Now, when we pass health insurance reform, insurance companies will no longer be able to place some arbitrary cap on the amount of coverage you can receive in a given year or a lifetime. And we will place a limit on how much you can be charged for out-of-pocket expenses, because no one in America should go broke because they get sick.

And finally—this is important—we will require insurance companies to cover routine checkups and preventive care, like mammograms and colonoscopies, because there's no reason we shouldn't be catching diseases like breast cancer and prostate cancer on the front end. That makes sense; it saves lives; it also saves money, and we need to save money in this health care system.

So this is what reform is about. For all the chatter and the yelling and the shouting and the noise, what you need to know is this: If you don't have health insurance, you will finally have quality, affordable options once we pass reform. If you do have health insurance, we will make sure that no insurance company or government bureaucrat gets between you and the care that you need. And we will do this without adding to our deficit over the next decade, largely by cutting out the waste and insurance company giveaways in Medicare that aren't making any of our seniors healthier.

Audience member. Good.

The President. Right. [*Laughter*]

Now, before I start taking questions, let me just say, there's been a long and vigorous debate about this, and that's how it should be. That's what America is about, is we have a vigorous debate. That's why we have a democracy. But I do hope that we will talk with each other and not over each other, because one of the objectives of democracy and debate is, is that

we start refining our own views because maybe other people have different perspectives, things we didn't think of.

Where we do disagree, let's disagree over things that are real, not these wild misrepresentations that bear no resemblance to anything that's actually been proposed. Because the way politics works sometimes is that people who want to keep things the way they are will try to scare the heck out of folks, and they'll create bogeymen out there that just aren't real.

So this is an important and complicated issue that deserves serious debate. And we have months to go before we're done and years after that to phase in all these reforms and get them right. And I know this: Despite all the hand-wringing pundits and the best efforts of those who are profiting from the status quo, we are closer to achieving health insurance reform than we have ever been.

We have the American Nurses Association supporting it. We have the American Medical Association on board. America's doctors and nurses know firsthand how badly we need reform. We have broad agreement in Congress on about 80 percent of what we're trying to do. We have an agreement from the drug companies to make prescription drugs more affordable for seniors. We can cut the doughnut hole in half if we pass reform. We have the AARP on board because they know this is a good deal for our seniors.

But let's face it, now is the hard part, because the history is clear: Every time we come close to passing health insurance reform, the special interests fight back with everything they've got. They use their influence. They use their political allies to scare and mislead the American people. They start running ads. This is what they always do.

We can't let them do it again, not this time, not now. Because for all the scare tactics out there, what is truly scary, what is truly risky, is if we do nothing. If we let this moment pass, if we keep the system the way it is right now, we will continue to see 14,000 Americans lose their health insurance every day. Your premiums will continue to skyrocket. They have gone up three times faster than your wages, and they will keep on going up.

Our deficit will continue to grow because Medicare and Medicaid are on an unsustainable path. Medicare is slated to go into the red in about 8 to 10 years. I don't know if people are aware of that. If I was a senior citizen, the thing I'd be worried about right now is Medicare starts running out of money because we haven't done anything to make sure that we're getting a good bang for our buck when it comes to health care. And insurance companies will continue to profit by discriminating against people for the simple crime of being sick. Now, that's not a future I want for my children. It's not a future that I want for the United States of America.

New Hampshire, I was up here campaigning a long time. [*Laughter*] A lot of you guys came to my town hall events. Some of you voted for me; some of you didn't. But here's one thing I've got to say: I never said this was going to be easy. I never said change would be easy. If it were easy, it would have already been done. Change is hard, and it doesn't start in Washington. It begins in places like Portsmouth, with people like Lori, who have the courage to share their stories and fight for something better.

That's what we need to do right now, and I need your help. If you want a health care system that works for the American people as well as it works for the insurance companies, I need your help knocking on doors, talking to your neighbors, spread the facts. Let's get this done. [*Applause*] Thank you. Thank you.

Audience members. Yes we can! Yes we can! Yes we can!

The President. Thank you. I remember that.

Everybody have a seat. All right, this is the fun part. [*Laughter*] Now, first of all, by the way, let's thank the band. I didn't see the band over here. Thank you, band, great job.

All right, here's how we're going to do this. We do a lot of town hall meetings in New Hampshire, so everybody knows the basic outlines of this thing. If you have a question, just raise your hand. There are people with microphones in the audience. I am going to try to go girl-boy-girl-boy to make sure it's fair. [*Laughter*] If I hear only from people who agree with me, I'm going to actively ask some folks who are concerned about health care, give them a chance to ask their questions, because I think we've got to make sure that we get out—surface some of the debates and concerns that people have. Some of them are legitimate. I'm going to try to get through as many questions as I can. But if you can keep your question or comment relatively brief, then I will try to keep my answers relatively brief. [*Laughter*] Okay?

All right, so we're just going to go around the room, and I'm going to start with this gentleman right here, this gentleman right here. Please introduce yourself, if you don't mind.

Medicare/Health Care Plan Options/Bipartisan Cooperation on Health Care Reform

Q. Thank you, Mr. President. Welcome to Portsmouth and New Hampshire. My name is Peter Schmidt. I'm a State representative from Dover. I'm a senior citizen. I have a wonderful government-run health care plan called Medicare. I like it. It's affordable; it's reasonable; nobody tells me what I need to do. I just go to my doctor or the hospital, and I get care.

Now, one of the things you've been doing in your campaign to change the situation is you've been striving for bipartisanship. I think it's a wonderful idea, but my question is, if the Republicans actively refuse to participate in a reasonable way with reasonable proposals, isn't it time to just say we're going to pass what the American people need and what they want without the Republicans?

The President. Well, let me make a couple of points. First of all, you make a point about Medicare that's very important. I've been getting a lot of letters, pro and con, for health care reform, and one of the letters I received recently, a woman was very exercised about what she had heard about my plan. She says, "I don't want government-run health care. I don't want you meddling in the private marketplace. And keep your hands off my Medicare." [*Laughter*] True story.

And so I do think it's important for particularly seniors who currently receive Medicare to understand that if we're able to get something right like Medicare, then there should be a little more confidence that maybe the government can have a role, not the dominant role, but a role, in making sure the people are treated fairly when it comes to insurance.

Under our proposal, the majority of Americans will still be getting their health care from private insurers. All we want to do is just make sure that private insurers are treating you fairly so that you are not buying something where, if you failed to read the fine print, next thing you know, when you actually get sick, you have no coverage.

We also want to make sure that everybody has some options. So there's been talk about this public option. This is where a lot of the idea of government takeover of health care comes from. All we want to do is set up a set of options so that if you don't have health insurance or you're underinsured, you can have the same deal that Members of Congress have, which is,

they can look at a menu of options. We're calling it an exchange, but it's basically just a menu of different health care plans, and you will be able to select the one that suits your family best.

And I do think that having a public option as part of that would keep the insurance companies honest, because if they've got a public plan out there that they've got to compete against, as long as it's not being subsidized by taxpayers, then that will give you some sense of what—sort of a good bargain for—basic health care would be.

Now, I think that there are some of my Republican friends on Capitol Hill who are sincerely trying to figure out if they can find a health care bill that works. Chuck Grassley of Iowa, Mike Enzi of Wyoming, Olympia Snowe from Maine have been—[*applause*]—yes, I got to admit, I like Olympia too—[*laughter*]—they are diligently working to see if they can come up with a plan that could get both Republican and Democratic support.

But I have to tell you, when I listen to folks like Lori and families all across America who are just getting pounded by the current health care system, and when I look at the Federal budget and realize that if we don't control costs on health care, there is no way for us to close the budget deficit—it will just keep on skyrocketing—when I look at those two things, I say we have to get it done. And my hope is we can do it in a bipartisan fashion, but the most important thing is getting it done for the American people.

All right. Let's—this young lady right here. All right, this young lady right here. She's still enjoying her summer. When do you go back to school?

End-of-Life Care/Inefficiencies in the Health Care System

Q. I go back to school September third.

The President. September third, okay. What's your name?

Q. Julia Hall from Malden, Massachusetts.

The President. Nice to meet you, Julia.

Q. I saw—as I was walking in, I saw a lot of signs outside saying mean things about reforming health care. How do kids know what is true, and why do people want a new system that can help—that help more of us?

The President. Well, the—I've seen some of those signs. [*Laughter*] Let me just be specific about some things that I've been hearing lately that we just need to dispose of here. The rumor that's been circulating a lot lately is this idea that somehow the House of Representatives voted for "death panels" that will basically pull the plug on grandma because we've decided that we don't—it's too expensive to let her live anymore. [*Laughter*] And there are various—there are some variations on this theme.

It turns out that, I guess, this arose out of a provision in one of the House bills that allowed Medicare to reimburse people for consultations about end-of-life care, setting up living wills, the availability of hospice, et cetera. So the intention of the Members of Congress was to give people more information so that they could handle issues of end-of-life care when they're ready, on their own terms. It wasn't forcing anybody to do anything. This is, I guess, where the rumor came from.

The irony is that actually one of the chief sponsors of this bill originally was a Republican—then House Member, now Senator, named Johnny Isakson from Georgia—who very sensibly thought this is something that would expand people's options. And somehow it's

gotten spun into this idea of "death panels." I am not in favor of that. [*Laughter*] So just—I want to clear the air here.

Now, in fairness, the underlying argument, I think, has to be addressed, and that is people's concern that if we are reforming the health care system to make it more efficient, which I think we have to do, the concern is that somehow that will mean rationing of care, all right; that somehow some government bureaucrat out there will be saying, well, you can't have this test, or you can't have this procedure, because some bean-counter decides that this is not a good way to use our health care dollars. And this is a legitimate concern, so I just want to address this.

We do think that systems like Medicare are very inefficient right now, but it has nothing to do at the moment with issues of benefits. The inefficiencies all come from things like paying $177 billion to insurance companies in subsidies for something called Medicare Advantage that is not competitively bid, so insurance companies basically get a—$177 billion of taxpayer money to provide services that Medicare already provides. And it's no better—it doesn't result in better health care for seniors; it is a giveaway of $177 billion.

Now, think about what we could do with $177 billion over 10 years. I don't think that's a good use of money. I would rather spend that money on making sure that Lori can have coverage, making sure that people who don't have health insurance get some subsidies, than I would want to be subsidizing insurance companies.

So the—another way of putting this is, right now insurance companies are rationing care. They are basically telling you what's covered and what's not. They're telling you, "We'll cover this drug, but we won't cover that drug. You can have this procedure, or you can't have that procedure." So why is it that people would prefer having insurance companies make those decisions, rather than medical experts and doctors figuring out what are good deals for care and providing that information to you as a consumer and your doctor so you can make the decisions?

So I just want to be very clear about this. I recognize there is an underlying fear here that people somehow won't get the care they need. You will have not only the care you need, but also the care that, right now, is being denied to you—only if we get health care reform. That's what we're fighting for.

All right. Gentleman back here in the—with the baseball cap. Right there.

Prescription Drug Benefits

Q. Good morning—good afternoon, Mr. President—Bill Anderson from—[*inaudible*]—New Hampshire. In reference to what you just said, I'm presently under the New Hampshire Medicaid system, and I have to take a drug called Lipitor. When I got onto this program, they said, "No, we're not going to cover Lipitor," even though I'd been on that pill for probably 10 years, based on the information my doctor feel is right for me. And I had to go through two different trial of other kinds of drugs before it was finally deemed that I was able to go back on the Lipitor through the New Hampshire Medicaid system. So here it is, the Medicaid that you guys are administering, and you're telling me that it's good, but in essence, I'm dealing with the same thing that you're telling me the insurance companies are doing. Thank you.

The President. Well, look, I think that's a legitimate point. I don't know all the details, but it sounds to me like they were probably trying to have you take a generic as opposed to a brand name. Is that right?

Q. [*Inaudible*]

The President. And it turned out that you did not have as good of a reaction under the generic as the brand name, and then they put you back on the brand name. Is that what happened?

Q. Correct, to save money.

The President. Well—right. Look, there may be—in 9 out of 10 cases, the generic might work as well or better than the brand name. And we don't want to just subsidize the drug companies if you've got one that works just as well as another.

The important thing about the story that you just told me was—is that once it was determined that, in fact, you needed the brand name, you were able to get the brand name. Now, I want to be absolutely clear here. There are going to be instances where if there is really strong scientific evidence that the generic and the brand name work just as well, and the brand name costs twice as much, that the taxpayer should try to get the best deal possible, as long as if it turns out that the generic doesn't work as well, you're able to get the brand name.

So the basic principle that we want to set up here is that—if you're in private insurance—first of all, your private insurance can do whatever you want. If you're under a government program, then it makes sense for us to make sure that we're getting the best deal possible and not just giving drug makers or insurers more money than they should be getting. But ultimately, you've got to be able to get the best care based on what the doctor says.

And it sounds like that is eventually what happened. It may be that it wasn't as efficient, it wasn't as smooth as it should have been, but that result is actually a good one. And you think about all the situations where a generic actually would have worked. In fact, one of the things I want to do is to speed up generics getting introduced to the marketplace, because right now drug companies are fighting so that they can keep, essentially, their patents on their brand-name drugs a lot longer. And if we can make those patents a little bit shorter, generics get on the market sooner, ultimately, you as consumers will save money. All right? But it was an excellent question, so thank you.

All right, it's a young woman's turn—or a lady's turn. Right here. Yes, you.

Medicare

Q. Good afternoon, Mr. President. I'm Jackie Millet, and I'm from Wells, Maine. And my question is, I am on—presently on Medicare, and I do have a supplement, but if something happens to my husband, I lose the supplement. And what will happen? I take a lot of medications; I need a lot—I've had a lot of procedures. And how will Medicare under the new proposal help people who are going to need things like this?

The President. Well, first of all, another myth that we've been hearing about is this notion that somehow we're going to be cutting your Medicare benefits. We are not. The AARP would not be endorsing a bill if it was undermining Medicare. Okay? So I just want seniors to be clear about this, because if you look at the polling, it turns out seniors are the ones who are most worried about health care reform. And that's understandable, because they use a lot of care. They've got Medicare, and it's already hard for a lot of people, even on Medicare, because of the supplements and all the other costs out of pocket that they're still paying.

So I just want to assure we're not talking about cutting Medicare benefits. We are talking about making Medicare more efficient, eliminating the insurance subsidies, working with hospitals so that they are changing some of the reimbursement practices.

Right now hospitals—they are not penalized if there are constant readmission rates from patients that have gone through the hospital. If you go to a car company or a auto shop and you say, "Can I have my car repaired," you get your car repaired. If 2 weeks later it's broken down again, if you take it back, hopefully they're not going to charge you again for repairing the car. You want them to do it right the first time. And too often we're not seeing the best practices in some of these hospitals to prevent people from being readmitted. That costs a lot of money. So those are the kinds of changes we're talking about.

Now, in terms of savings for you as a Medicare recipient, the biggest one is on prescription drugs, because the prescription drug companies have already said that they would be willing to put up $80 billion in rebates for prescription drugs as part of a health care reform package.

Now, we may be able to get even more than that. But think about it. When the prescription drug plan was passed—Medicare Part D—they decided they weren't going to negotiate with the drug companies for the cheapest available price on drugs. And as a consequence, seniors are way overpaying; there's that big doughnut hole that forces them to go out of pocket. You say you take a lot of medications; that means that doughnut hole is always something that's looming out there for you. If we can cut that doughnut hole in half, that's money directly out of your pocket. And that's one of the reasons that AARP is so supportive, because they see this as a way of potentially saving seniors a lot of money on prescription drugs. Okay?

All right. The gentleman right here in the white shirt.

Health Insurance Plan Options

Q. Good afternoon, Mr. President. My name is Ben Hershinson. I'm from Ogunquit, Maine, and also Bonita Springs, Florida. And I'm a Republican; I don't know what I'm doing here, but I'm here. [*Laughter*]

The President. We're happy to have you. We're happy to have you.

Q. Mr. President, you've been quoted over the years—when you were a Senator and perhaps even before then—that you were essentially a supporter of a universal plan. I'm beginning to see that you're changing that. Do you honestly believe that? Because that is my concern. I'm on Medicare, but I still worry that if we go to a public option, period, that the private companies, the insurance companies, rather than competing—because who can compete with the government? The answer is nobody. So my question is, do you still—as yourself, now—support a universal plan? Or are you open to the private industry still being maintained?

The President. Well, I think it's an excellent question, so I appreciate the chance to respond. First of all, I want to make a distinction between a universal plan versus a single-payer plan, because those are two different things.

A single-payer plan would be a plan like Medicare for all, or the kind of plan that they have in Canada, where basically government is the only person—is the only entity that pays for all health care. Everybody has a government-paid-for plan, even though in—depending on which country, the doctors are still private or the hospitals might still be private. In some countries, the doctors work for the government and the hospitals are owned by the

government. But the point is, is that government pays for everything, like Medicare for all. That is a single-payer plan.

I have not said that I was a single-payer supporter, because, frankly, we historically have had a employer-based system in this country with private insurers, and for us to transition to a system like that, I believe, would be too disruptive. So what would end up happening would be, a lot of people who currently have employer-based health care would suddenly find themselves dropped, and they would have to go into an entirely new system that we—had not been fully set up yet. And I would be concerned about the potential destructiveness of that kind of transition. All right?

So I'm not promoting a single-payer plan. I am promoting a plan that will assure that every single person is able to get health insurance at an affordable price, and that if they have health insurance, they are getting a good deal from the insurance companies. That's what I'm fighting for.

Now, the way we have approached it is that if you've got health care under a private plan, if your employer provides you health care or you buy your own health care and you're happy with it, you won't have to change.

What we're saying is, if you don't have health care, then you will be able to go to an exchange similar to the menu of options that I used to have as a Member of Congress, and I can look and see what are these various private health care plans offering, what's a good deal, and I'll be able to buy insurance from that exchange. And because it's a big pool, I'll be able to drive down costs; I'll get a better deal than if I was trying to get health insurance on my own.

This is true, by the way, for small businesses as well. A lot of small businesses, they end up paying a lot more than large businesses per person for health care, because they've got no bargaining power; they've got no leverage. So we wanted small businesses to be able to buy into this big pool. Okay?

Now, the only thing that I have said is that having a public option in that menu would provide competition for insurance companies to keep them honest. Now, I recognize, though, you make a legitimate—you raise a legitimate concern. People say, well, how can a private company compete against the government? And my answer is that if the private insurance companies are providing a good bargain, and if the public option has to be self-sustaining, meaning taxpayers aren't subsidizing it, but it has to run on charging premiums and providing good services and a good network of doctors, just like any other private insurer would do, then I think private insurers should be able to compete. They do it all the time.

I mean, if you think about it, UPS and FedEx are doing just fine. Right? No, they are. I mean, it's the Post Office that's always having problems. [*Laughter*] So right now you've got private insurers who are out there competing effectively, even though a lot of people get their care through Medicare or Medicaid or VA. So there's nothing inevitable about this somehow destroying the private marketplace, as long as—and this is a legitimate point that you're raising—that it's not set up where the government is basically being subsidized by the taxpayers, so that even if they're not providing a good deal, we keep on having to pony out more and more money. And I've already said that can't be the way the public option is set up. It has to be self-sustaining.

Does that answer your question?

Q. [*Inaudible*]

The President. Okay, thank you.

All right, right there. Go ahead.

Mental Health Care

Q. Thank you. Hello, Mr. President. My name is Lynda Bettcher. I'm from Portsmouth, and I have proudly taught at this high school for 37 years.

The President. Well, congratulations.

Q. Thank you.

The President. What do you teach?

Q. I teach English and journalism.

The President. Excellent.

Q. Yes, thank you.

The President. Good.

Q. And in those 37 years, I've been lucky enough to have very good health care coverage, and my concerns currently are for those who do not. And I guess my question is, if every American who needed it had access to good mental health care, what do you think the impact would be on our society?

The President. Well, you raise the—you know, mental health has always been undervalued in the health insurance market. And what we now know is, is that somebody who has severe depression has a more debilitating and dangerous illness than somebody who's got a broken leg. But a broken leg, nobody argues that's covered. Severe depression, unfortunately, oftentimes isn't even under existing insurance policies.

So I think—I've been a strong believer in mental health parity, recognizing that those are serious illnesses. And I would like to see a mental health component as part of a package that people are covered under, under our plan. Okay?

All right. This gentleman right here. He's coming with the mike.

Paying for Health Care Reform

Q. Hello, Mr. President. I'm Justin Higgins from Stratham, New Hampshire.

The President. How are you, Justin?

Q. Fine, thank you. There's a lot of misinformation about how we're going to pay for this health care plan. And I'm wondering how we're going to do this without raising the taxes on the middle class, because I don't want the burden to fall on my parents. And also, I'm a college student so——

The President. They've already got enough problems paying your college tuition. [*Laughter*]

Q. Exactly. Exactly.

The President. All right, I hear you.

Q. Also, I'm looking towards my future with career options and opportunities, and I don't want inflation to skyrocket by just adding this to the national debt. So I'm wondering how we can avoid both of those scenarios.

The President. Right, it's a great question. First of all, I said I won't sign a bill that adds to the deficit or the national debt. Okay? So this will have to be paid for. That, by the way, is in contrast to the prescription drug bill that was passed that cost hundreds of billions of dollars—by the previous administration and previous Congress—that was not paid for at all, and that was a major contributor to our current national debt.

That's why I—you will forgive me if sometimes I chuckle a little bit when I hear all these folks saying, "Oh, big-spending Obama," when I'm proposing something that will be paid for, and they signed into law something that wasn't, and they had no problem with it. Same people, same folks, and they say with a straight face how we've got to be fiscally responsible.

Now, having said that, paying for it is not simple. I don't want to pretend that it is. By definition, if we're helping people who currently don't have health insurance, that's going to cost some money. It's been estimated to cost somewhere between, let's say, 800 billion and a trillion dollars over 10 years. Now, it's important that we're talking about over 10 years, because sometimes the number trillion gets thrown out there and everybody thinks it's a trillion dollars a year. Gosh, that—how are we going to do that? So it's about a hundred billion dollars a year to cover everybody and to implement some of the insurance reforms that we're talking about.

About two-thirds of those costs we can cover by eliminating the inefficiencies that I already mentioned. So I already talked about $177 billion worth of subsidies to the insurance companies. Let's take that money, let's put it in the kitty. There's about 500 billion to $600 billion over 10 years that can be saved without cutting benefits for people who are currently receiving Medicare, actually making the system more efficient over time.

That does still leave, though, anywhere from 300 billion to 400 billion over 10 years, or 30 to $40 billion a year. That does have to be paid for, and we will need new sources of revenue to pay for it. And I've made a proposal that would—I want to just be very clear, the proposal—my preferred approach to this would have been to take people like myself who make more than $250,000 a year and limit the itemized deductions that we can take to the same level as middle class folks can take them.

Right now the average person—the average middle class family, they're in the 28-percent tax bracket, and so they basically can itemize, take a deduction that is about 28 percent. I can take—since I'm in a much higher tax bracket, I can take a much bigger deduction. And so as a consequence, if I give a charitable gift, I get a bigger break from Uncle Sam than you do.

So what I've said is, let's just even it out. That would actually raise sufficient money. Now, that was my preferred way of paying for it. Members of Congress have had different ideas. And we are still exploring these ideas. By the time that we actually have a bill that is set, that is reconciled between House and Senate and is voted on, it will be very clear what those ideas are. My belief is, is that it should not burden people who make $250,000 a year or less.

And I think that's the commitment that I made, the pledge that I made when I was up here running in New Hampshire, folks. So I don't want anybody saying somehow that I'm pulling the bait-and-switch here. I said very specifically I thought we should roll back Bush tax cuts and use them to pay for health insurance. That's what I'm intending to do. All right?

Okay, I've only got time for a couple more questions. Somebody here who has a concern about health care that has not been raised, or is skeptical and suspicious and wants to make sure that—[*laughter*]—because I don't want people thinking I just have a bunch of plants in here. All right, so I've got one right here, and then I'll ask the guy with two hands up because he must really be—have a burning question. [*Laughter*]

All right, go ahead.

Medicare/Expert Health Panels/Shortage of Primary Care Physicians and Nurses

Q. Thank you, Mr. President. I've worked in the medical field for about 18 years and seen a lot of changes over those 18 years. I currently work here at the high school as a paraprofessional. My name's Linda Arsenault from Portsmouth, New Hampshire. I have a little, you know, couple questions about the universal insurance program, which, if I understand you correctly, President Obama, you seek to cover 50 million new people over and above the amount of people that are currently getting health care at this moment.

The President. It will probably—I just want to be honest here. There are about 46 million people who are uninsured, and under the proposals that we have, even if you have an individual mandate, probably only about 37, 38 million, so somewhere in that ballpark.

Q. Okay, I'm off a little bit. [*Laughter*]

The President. No, no, I just wanted to make sure I wasn't overselling my plan here.

Q. That's okay, Mr. President. My concern is—[*laughter*].

The President. She's okay.

Q. He winked at me. [*Laughter*] My concern is for where are we going to get the doctors and nurses to cover these? Right now I know that there's a hard—there's a really—people are not going to school to become teachers to teach the nursing staffs. Doctors are—have huge capacities; some of them are leaving private to go to administrative positions because of the caseload that they're being made to hold. I really do feel that there will be more demand with this universal health care and no added supply. I also understand that it was to be taken from Medicare, about $500 billion, and correct me if I'm wrong on that.

The President. I just said that.

Q. Okay. And also, you know, I'm very, very concerned about the elderly. I don't know if this is also correct, but I understand that a Federal health board will sit in judgment of medical procedures and protocols to impose guidelines on all providers—when to withhold certain types of care—like, what is the point you get to when we say, I'm sorry that this cannot happen. And thank you very much for letting me ask those questions, Mr. President.

The President. Of course. Well, first of all, I already mentioned that we would be taking savings out of Medicare that are currently going to insurance subsidies, for example. So that is absolutely true.

I just want to be clear, again: Seniors who are listening here, this does not affect your benefits. These—this is not money going to you to pay for your benefits; this is money that is subsidizing folks who don't need it. So that's point number one.

Point number two: In terms of these expert health panels—well, this goes to the point about "death panels;" that's what folks are calling them. The idea is actually pretty straightforward, which is, if we've got a panel of experts, health experts, doctors, who can

provide guidelines to doctors and patients about what procedures work best in what situations and find ways to reduce, for example, the number of tests that people take—these aren't going to be forced on people, but they will help guide how the delivery system works so that you are getting higher quality care. And it turns out that oftentimes higher quality care actually costs less.

So let me just take the example of testing. Right now a lot of Medicare patients, you have something wrong with you, you go to your doctor, doctor checks up on you, maybe he takes—has a test—he administers a test. You go back home, you get the results; the doctor calls you and says, "Okay, now you got to go to this specialist." Then you have to take another trip to the specialist. The specialist doesn't have the first test, so he does his own test. Then maybe you've got to, when you go to the hospital, you've got to take a third test.

Now, each time taxpayers—under Medicare—are paying for that test. So for a panel of experts to say, why don't we have all the specialists and the doctors communicating after the first test, and let's have electronic medical records so that we can forward the results of that first test to the others, that's a sensible thing to do. That is a sensible thing to do.

So we want—if I'm a customer, if I'm a consumer, and I know that I'm overpaying $6,000 for anything else, I would immediately want the best deal. But for some reason, in health care, we continue to put up with getting a bad deal. We're paying $6,000 more than any other advanced country, and we're not healthier for it—$6,000 per person more, per year. That doesn't make any sense. So there's got to be a lot of waste in the system. And the idea is to have doctors, nurses, medical experts look for it.

Now, the last question that you asked is very important, and I don't have a simple solution to this. If you look at the makeup of the medical profession right now, we have constant nurses shortages, and we have severe shortages of primary care physicians. Primary care physicians, ideally family physicians, they should be the frontlines of the medical profession in encouraging prevention and wellness. But the problem is, is that primary care physicians, they make a lot less money than specialists——

Audience member. And nurse practitioners.

The President. And nurse practitioners too. [*Laughter*] So—well, and nurses, you've got a whole—another issue which you already raised, which is the fact that not only are nurses not paid as well as they should, but you also have—nursing professors are paid even worse than nurses. So as a consequence, you don't have enough professors to teach nursing, which means that's part of the reason why you've got such a shortage of nurses.

So we are going to be taking steps, as part of reform, to deal with expanding primary care physicians and our nursing corps. On the doctors' front, one of the things we can do is to reimburse doctors who are providing preventive care and not just the surgeon who provides care after somebody is sick. Nothing against surgeons; I want surgeons. I don't want to be getting a bunch of letters from surgeons now. [*Laughter*] I'm not dissing surgeons here.

All I'm saying is—let's take the example of something like diabetes, one of—a disease that's skyrocketing, partly because of obesity, partly because it's not treated as effectively as it could be. Right now if we paid a family—if a family care physician works with his or her patient to help them lose weight, modify diet, monitors whether they're taking their medications in a timely fashion, they might get reimbursed a pittance. But if that same diabetic ends up getting their foot amputated, that's $30,000, 40—$50,000 immediately the surgeon is reimbursed.

Well, why not make sure that we're also reimbursing the care that prevents the amputation. Right? That will save us money.

So changing reimbursement rates will help. The other thing that will really help both nurses and doctors, helping pay for medical education for those who are willing to go into primary care. And that's something that we already started to do under the Recovery Act, and we want to do more of that under health care reform.

All right, last question, last question right here. This is a skeptic, right?

Importance of Health Care Reform

Q. I am a skeptic.

The President. Good.

Q. Thank you, Mr. President, for coming to Portsmouth. My name is Michael Layon. I'm from Derry, New Hampshire, District One in the congressional district. I'm one of the people that turned myself in on the White House web page the other day for being a skeptic of this bill. I'm proud to have done so.

The President. Before you answer this question, just because you referred to it, can I just say, this is another example of how the media ends up just completely distorting what's taking place. What we've said is that if somebody has—if you get an e-mail from somebody that says, for example, "Obama-care is creating a death panel," forward us the e-mail, and we will answer the question that's raised in the e-mail. Suddenly, on some of these news outlets, this is being portrayed as "Obama collecting an enemies list." [*Laughter*]

Now, come on, guys. You know, here I am trying to be responsive to questions that are being raised out there——

Q. And appreciate it.

The President. And I just want to be clear that all we're trying to do is answer questions.

All right, go ahead.

Q. So my question is for you—and I know in the White House the stand which you're on has often been referred to as the bully pulpit. Why have you not used the bully pulpit to chastise Congress for having two systems of health care—one for all of us and one for them?

The President. Well, look, first of all, if we don't have health care reform, the gap between what Congress gets and what ordinary Americans get will continue to be as wide as it is right now. And you are absolutely right; I don't think Carol or Paul would deny they've got a pretty good deal. They've got a pretty good deal. I mean, the fact is, is that they are part—by the way, I want you to know, though, their deal is no better than the janitor who cleans their offices, because they are part of a Federal health care employee plan. It is a huge pool, so you've got millions of people who are part of the pool, which means they've got enormous leverage with the insurance companies. Right? So they can negotiate the same way that a big Fortune 500 company can negotiate, and that drives down their costs. They get a better deal.

Now, what happens is, those Members of Congress—and when I was a Senator, I—same situation—I could, at the beginning of the year, look at a menu of a variety of different health care options, most of them offer—these are all private plans, or they could be non-for-profit, Blue Cross Blue Shield or Aetna or what have you—they would have these plans that were offered, and we would then select what plan worked best for us.

But there were certain requirements; if you wanted to sell insurance to Federal employees, there were certain things you had to do. You had to cover certain illnesses. You couldn't exclude for preexisting conditions. I mean, there were a lot of rules that had been negotiated by the Federal Government for those workers.

Now, guess what? That's exactly what we want to do with health care reform. We want to make sure that you are getting that same kind of option. That's what the health exchange is all about, is that you, just like a Member of Congress, can go and choose the plan that's right for you. You don't have to. If you've got health care that you like, you don't have to use it.

So for example, for a while, Michelle, my wife, worked at University of Chicago Hospital. She really liked her coverage that she was getting through the University of Chicago Hospital, so I did not have to use the Federal employee plan. But I had that option available.

The same is true for you. Nobody is going to force you to be part of that plan. But if you look at it and you say, you know what, this is a good deal, and I've got more leverage because maybe I'm a small business, or maybe I'm self-employed, or maybe I'm like Lori and nobody will take me because of a preexisting condition, and now suddenly, I've got these rules set up—why wouldn't I want to take advantage of that?

Now, there are legitimate concerns about the cost of the program, so I understand if you just think no matter what, no matter how good the program is, you don't think that we should be paying at all for additional people to be covered, then you're probably going to be against health care reform, and I can't persuade you. There are legitimate concerns about the public option—the gentleman who raised his hand. I think it's a good idea, but I understand some people just philosophically think that if you set up a public option, that that will drive public insurance out—or private insurers out. I think that's a legitimate concern. I disagree with it, but that's a legitimate debate to have.

But I want everybody to understand, though, the status quo is not working for you. The status quo is not working for you. And if we can set up a system, which I believe we can, that gives you options, just like Members of Congress has options, that gives a little bit of help to people who currently are working hard every day but they don't have health care insurance on the job, and most importantly, if we can make sure that you, all of you who have insurance, which is probably 80 or 90 percent of you, that you are not going to be dropped because of a preexisting condition, or because you lose your job, or because you change your job, that you're actually going to get what you pay for, that you're not going to find out when you're sick that you got cheated, that you're not going to hit a lifetime cap where you thought you were paying for insurance but after a certain amount suddenly you're paying out of pocket and bankrupting yourself and your family, if we can set up a system that gives you some security, that's worth a lot.

And this is the best chance we've ever had to do that. But we're all going to have to come together; we're going to have to make it happen. I am confident we can do so, but I'm going to need your help, New Hampshire.

Thank you very much, everybody. God bless you.

NOTE: The President spoke at 1:05 p.m. at Portsmouth High School. In his remarks, he referred to Lori Hitchcock, resident of Portsmouth, NH, who introduced the President.

Categories: Addresses and Remarks : Health care reform :: Portsmouth, NH.

Locations: Portsmouth, NH.

Names: Anderson, Bill; Arsenault, Linda; Baldacci, John E.; Bush, George W.; Collins, Jeffrey; Enzi, Michael B.; Ferrini, Thomas G.; Grassley, Charles E.; Hall, Julia; Hershinson, Ben; Higgins, Justin; Hitchcock, Lori; Hodes, Paul; Isakson, Johnny; Layon, Michael; Lynch, John H.; Lynch, Susan E.; Millet, Jackie; Obama, Michelle; Schmidt, Peter; Shaheen, Jeanne; Shea-Porter, Carol; Snowe, Olympia.

Subjects: AARP; Budget, Federal : Deficit; Budget, Federal : Deficit ; Budget, Federal : National debt; Business and industry : Small and minority businesses; Diseases : Cancer, research, prevention, and treatment; Diseases : Depression; Diseases : Diabetes; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Postsecondary education :: Medical school scholarships and financial aid; Education : Teachers; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Unemployment insurance; Health and medical care : Cost control reforms; Health and medical care : Employer-based health insurance coverage; Health and medical care : End-of-life care; Health and medical care : Generic drug production, duration of patent restrictions; Health and medical care : Health insurance exchange, proposed; Health and medical care : Health insurance, protection of coverage; Health and medical care : Hospice care; Health and medical care : Hospitals :: Medicare and Medicaid reimbursement; Health and medical care : Independent medical advisory committee, proposed; Health and medical care : Information technology; Health and medical care : Insurance coverage and access to providers; Health and medical care : Living wills; Health and medical care : Medicare Advantage Plans, elimination of overpayments; Health and medical care : Medicare and Medicaid; Health and medical care : Mental health programs and services; Health and medical care : Nurse remuneration and education; Health and medical care : Nursing shortage; Health and medical care : Physicians :: Medicare and Medicaid reimbursement; Health and medical care : Prescription drugs, purchasing efficiency; Health and medical care : Preventive care and public health programs; Health and medical care : Primary care physicians, shortages; Health and medical care : Seniors, prescription drug benefits; Maine : Governor ; Medical Association, American; New Hampshire : Governor; New Hampshire : President's visit; Nurses Association, American; Taxation : Charitable donations, deductions; Taxation : Itemized deductions, proposed limits; Taxation : Tax relief; Veterans : Health care.

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